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MILITARY GOVERNMENT GUIDE

THE SOCIAL STRUCTURE OF AUSTRIA 1933-1944

WAR DEPARTMENT • • • 31 AUGUST 1945

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Washington 25, D. C., 31 August 1945

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TABLE OF CONTENTS

	Page
Summary	v
I. The Elite	1
A. The Industrial Third	1
B. The Landholders	3
C. The Ecclesiastical Element	4
D. The Elite's Objectives and Future	5
II. The Upper Middle Class	7
A. General Data	7
B. Changes under the Nazis	9
III. The Lower Middle Class	13
A. Statistical Composition	14
B. Changes under the Nazis	15
IV. The Working Class	16
A. Pre-Anschluss Problems and Politics	16
B. Social Organization	18
C. Impact of the Nazis	20
D. Post-Annexation Changes in Composition	21
E. Political Future	23
V. The Peasantry	24
A. Distribution of the Land	24
B. Land Use	26
C. Economic Position	28
D. Independent Farmers	28
E. Farm Lands	30
F. Peasantry and Church	31
G. Consequences of Nazi Controls	32

TABLE OF CONTENTS (Continued)

Page

VI. Political Implications of Austria's Social Structure 37

Appendix. The Social Structure of Austria's Population 42

SUMMARY

1. The social structure of Austria is the product of economic, geographical, and historical factors, all of which must be taken into account to form a rounded picture of Austria today.

2. The regional distribution of the possible sources of livelihood in Austria is a basic determinant of the country's social structure. About seventy-five percent of the country is mountainous and largely given over to dairy farming and to forestry. The remaining area, characterized by hills and plains, contains the grain-growing and the industrial part of Austia. The working population is distributed fairly evenly between industry, agriculture, and the services -- commerce and banking.

3. Despite the apparent balance of the Austrian economic system, it was unable to provide productive employment for nearly 800,000 individuals out of a working population of more than 3,000,000. These non-productive persons were distributed in roughly equal fractions among the various classes of the population.

4. This very high proportion of jobless and unproductive persons may be attributed to the shrinking of the area once served by Austrian economic and political machinery under the Habsburgs, and to the effect on Austria of the world depression. The social tensions resulting from this economic stagnation produced a fertile field for international intrigue.

5. Austrian society may be divided into the following socio-economic groups exclusive of the German Nazis, who may be considered a group of temporary conquerors:

a. An elite, consisting of an extremely small group of big industrialists, remnants of the old landed aristocracy, and high officials of the Catholic Church.(100 to 1,000 persons, depending on definition used.)

b. An upper middle class, consisting of the upper brackets of the Civil Service, the economically more successful members of the professions, prosperous independent businessmen and men who held fairly high positions in the larger companies. It also includes a considerable number of the well-to-do pensioners and rentiers.(Total about 321,000 persons.)

c. A lower middle class, composed of two main elements: salaried clerical employees, and a pauperized group of independent businessmen, retired civil servants, and other pension receivers. (Total about 662,900 persons.)

d. An industrial working class with a wide variety of income levels. (Total about 1,405,300 persons.)

e. A peasantry divided between small independent proprietors and agricultural laborers. (Total about 638,700 persons.)

(The above statistics are based on the 1934 census. The changes brought about by the Nazis, which are relatively slight, are indicated in the text. These figures refer to the working population, for the most part males. It is assumed that other members of the family for the most part possess the same social status as the working members. Variations from this procedure are pointed out where they occur. Austrian census figures include the unemployed in the working population. (For fuller explanation see Appendix.)

6. The chief cleavage in Austrian society under the Republic came between the elite and the upper middle class on the one hand, and the industrial working class on the other. A secondary cleavage existed between the rural and urban sectors -- specifically, between the peasant proprietors and the city working class. This conflict was based as much on a clash between two distinct ways of life as it was on opposing economic interests.

7. The political conflicts engendered by these cleavages resulted in the creation of the Austro-Fascist regime of 1934 - 1938, which represented the triumph of the elite, the upper middle class, and the peasant landholders.

8. While the political power of all Austrian socio-economic groups was temporarily eclipsed by the Nazi occupation, and all of them suffered certain losses, their fundamental economic characteristics and relationships appear to have been little affected.

9. When Nazi controls collapse or are withdrawn, local left-wing groups coming to the fore may seek to compel a total reorganization of Austrian society, establishing economic ties with the other succession states, and breaking the power of the elite through the nationalization of large-scale industry and banking.

10. Such a program, however, would be certain to encounter strong resistance from elements inside and outside Austria.

THE SOCIAL STRUCTURE OF AUSTRIA, 1933-1944

I. THE ELITE

At the top of the Austrian social pyramid is found an extremely small group of bankers and industrialists, remnants of the old landed aristocracy, and high officials of the Catholic Church. Unlike Germany, in Austria the Army is unrepresented as a specific interest group among the elite, perhaps because most of the former officer corps went into voluntary retirement at the time that the Social Democrats, the leading working class party, reorganized the Army in the early days of the Republic.

Strictly defined as those persons in whose hands real power over the political and economic affairs of society is concentrated, the elite in Austria would amount to no more than one hundred persons. A more liberal definition, broad enough to include the immediate subordinates of the real holders of power, would extend the stratum to a little over a thousand persons.

A. The Industrial Third

The core of the industrial elite during the Nazi occupation consisted of about fifty bankers and industrialists. These individuals, nearly all of whom are native-born Austrians, played a leading role on the directorates of Austrian industrial firms, particularly mining and steel products. All of them hold positions in two or more important firms, and a few of them, such as Hohenlohe-Schillingsfürst, were members of the elite by virtue of an older form of power as well -- their landholdings.

Before the Anschluss, German industry controlled directly or indirectly approximately a third of Austrian industry. After the Anschluss, the proportion controlled by Germany rose to about ninety percent. This shift brought about certain changes in the industrial leadership of Austria. Except for the exclusion of the Jews, the changes did not affect the very top elite, but an examination of the directorates of a hundred leading Austrian corporations shows that nearly one-half of the present staff has been appointed by the Nazis. It may be assumed, however, that most of these persons are not newcomers to positions of economic leadership.

The Austrian bankers and industrialists even before the Anschluss were not independent agents but subject to the struggle between English, French, German, and Italian political and economic interests in Central Europe. The connections of Stahremberg, a member of the landholding aristocracy, with Mussolini and with Hitler constitute the best known instance of this tug of war, but it was a type of intrigue even more important in the case of the industrialists, since they represented more

real power.

The Alpine Montan-Gesellschaft, which owned all of the iron mines in Austria and seven of the country's eight blast furnaces, and enjoyed great economic power throughout central and eastern Europe, provides a particularly striking illustration. The Gesellschaft participated in the founding of the Heimwehr and exercised an important degree of control over it. When Hitler and Mussolini came into conflict over Austria, the firm cut its support of the Heimwehr, which was by then pro-Italian, and gave it to the Nazis. After the murder of Chancellor Engelbert Dollfuss in 1934, the director-general of the firm and nine others were arrested by the Schuschnigg regime. Then the Banca Commerciale Italiana increased its holdings in Austria.1

B. The Landholders

The Austrian landholding aristocracy was largely a residue of non-Austrian families, former aristocrats of the Empire, who retained large holdings outside Austria in the succession states, and smaller ones in Austria proper. In Austria they were not permitted to use their titles. In addition, there were a few wealthy bankers and industrialists who had purchased land partly because of the social status it conferred.

Among the big landholders of Austria are the Esterhazy, Liechtenstein, Rothschild, and Guttman families. The Esterhazy are an Hungarian family; the Liechtenstein family owns most of the Duchy of that name, now a tiny independent state between Austria and Switzerland; the Rothschilds are a well-known Jewish banking family and the Guttmans an industrial one. While no precise statistics are available, it is probable that there are no more than a dozen such families. Their importance in the Austrian economy is slight.

C. The Ecclesiastical Element

If the Austrian bishops and their immediate assistants are considered as the elite of the Catholic hierarachy in Austria, the total includes at present only twenty-four individuals. Their power was very great, however, since about ninety percent of Austria's population is Catholic. In part it derived from the church's control over education and marriage. In the urban areas, particularly Vienna, the Catholicism of much of the population was purely nominal, and among the working class there was a strong anti-clerical current. But the Church was able to secure mass support from the devout Austrian peasantry, and to a somewhat lesser extent from the urban upper middle class.

For over a century, the Austrian Church has co-operated with the

1. E. Bonaygue et C. Reher, Vienne, Port de la Guerre (Paris 1935), pp.201-202, 210, 218-219.

ruling power in the state in return for concessions in its own particular sphere of interest. Led by the Christian Social prelate, Ignaz Seipel, the Church under the Republic became the ally of big business, industry, and the banks against the growing threat of socialism. Seipel took over the earlier idea of a church-controlled society organized into a series of vocational groups (Stände) instead of political parties. While in the earlier form of this concept the Stände were intended to be a form of protection for the crafts and the peasantry, under Seipel the Stände became a potential weapon for the destruction of the socialist movement. With such a philosophy it was perhaps natural that the church leadership should favor the Austro-Fascist movement and that the bishops should have endorsed Dollfuss's coup d'etat of December 1933 which overthrew parliamentary institutions.1

D. The Elite's Objectives and Future.

The main elements of the Austrian elite were interconnected and pursued a more or less unified set of political and economic objectives. The industrialists and bankers wanted a social order that would guarantee profits and limit the power of labor. The Church leaders wanted a social order that would guarantee the continuance of their influential position. Big business provided the economic power. The Church in turn helped to elaborate the ideological system of a corporative state, under which the workers were held to be part of a "Christian community" without any basic interests opposed to those of the industrialists. Support for these objectives was available among the middle classes and the peasants, and by 1934, with the establishment of the Dollfuss regime, they had been largely attained.

From an economic and political standpoint the losses of the elite were relatively slight under the Nazis. Personnel remained largely intact, as did the economic power of the industrialists. The Church suffered the destruction of its school system and the break-up of much of its control over marriage. The essential power of the elite, however, was not broken, but became in fact identified with that of the Nazis. In this lies its greatest peril. No longer supported by Nazi force, the elite may this time be effectively challenged and set aside by indigenous democratic forces.

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1. Cf. The Roman Catholic Church in Austrian Political Life, R and A No. 2338.

II. THE UPPER MIDDLE CLASS

A. General Data

The Austrian upper middle class consisted primarily of the top brackets of the Civil Service, the economically more successful members of the professions, and prosperous independent businessmen as well as those businessmen who held fairly high salaried positions in large companies. The stratum also included pensioners and rentiers who were comfortable to well-off. The upper middle class may be distinguished from the elite in that no member of the group was in a position to make a policy decision in economic or political matters that would seriously affect Austrian society as a whole. It may be distinguished from the lower middle class, on the other hand, by the fact that its members had considerably greater power and prestige, or at least a strong sense of social superiority. Most upper middle-class individuals either directed the activities of a considerable number of other persons, or else enjoyed a fair-sized income. The dividing line between the upper middle class and the strata above and below it cannot be drawn sharply, but the characteristic members of each stratum, the industrialist with international connections, the businessman with a moderate income, and the clerical worker, are readily identified.

The following table, based on data available in 1934, gives an estimate of the income and occupational characteristics of the upper middle class.

Table 1. THE AUSTRIAN UPPER MIDDLE CLASS INCOME AND OCCUPATIONAL GROUPINGS a

I.	Income group 10,200 schillings per annum and over	
	Independent businessmen & professionals	11,500
	Executive employees	8,800
	Landlords and rentiers	* 8,500
		28,800
II.	Income group 4,800-10,200 schillings per annum	
	Landlords and rentiers	* 14,500
	Independent businessmen and professionals	37,000
	Retired civil servants	* 4,300
	Salaried employees (includes civil servants)	88,800
		144,600
III.	Income group 1,400-4,800 schillings per annum	
	Landlords & rentiers	* 8,500
	Independent businessmen and professionals	192,500
	Retired civil servants	*120,000
		321,000

*Economically unproductive 155,800.

a See Appendix for derivation of figures.

An outstanding feature of the upper middle class and other strata of Austrian society is the presence of a large number of economically unproductive persons -- the rentiers. Many of these were the owners of large apartment houses, or were retired civil servants. They totalled 155,800 persons. If the term "economically unproductive" were more strictly applied, the number would be even larger, as many of those who have been termed "independent businessmen," and many who were classed as higher salaried employees, were actually engaged in financial speculation, or as commission merchants, whose economic contribution was open to doubt.

The Jews played an important role in the upper middle class before the Anschluss, largely through their role in the professions, although the great majority of Austrian Jews belonged rather to the lower middle class. It has been reliably estimated that more than 80 percent of the lawyers of Vienna before 1938 were of Jewish origin. In 1935 there were 3,268 physicians in Vienna, of whom 1,686 were known Jews. Jews were dominant in journalism as well; all five of the main newspapers of Vienna were owned by corporations in which Jews were majority stockholders. During the Christian Social era, however, Jews were barred from most of the higher civil service positions, from the teaching profession, and to a lesser extent from artistic institutions run by the state (Burgtheater, Opera, Academy of Arts, etc.).

C. Changes under the Nazis

It might have been thought that the total mobilization decrees of 27 January 1943 and 25 July 1944,1/ combined with the extreme pressure on German resources, would have wiped out the economically unproductive elements in the upper middle class. However, it was possible for a person to avoid the mobilization decrees if he could show that he worked for forty-eight hours a week, or that he employed five or more persons. The fine for violation was, in any event, only one thousand marks. In view of these facts and in view of the absence of any known measure of expropriation it may be estimated that a fair proportion of the rentiers, particularly the more prosperous ones, have succeeded in maintaining their status. Others, particularly the retired civil servants, who in 1934 constituted 124,300 out of the total economically unproductive group of 155,800, have been encouraged to enter the labor market by being allowed to keep their pensions along with their wages. Thus no fundamental changes in this group appear to have taken place.

The Nazis largely if not entirely eliminated the Jews from the professions and from journalism. The wealthier businessmen in the upper middle class were probably for the most part incorporated into the Nazi war economy on an administrative level. Those who co-operated lost their independence to some extent, and to a lesser extent lost their social status

1/ RGBl. 1943, I, 67; 1944, I, 161.

by becoming salaried employees of Reich concerns or of the state. Others remained nominally independent by converting their facilities to war production. A similar experience befell the higher civil servants, though the impact may have been more severe here, as the top posts frequently went to Reich Germans.

The effect on smaller businesses, which constitute the greater proportion of the upper middle class, was more severe. To be sure, in the early period following the Anschluss this segment of the population appeared to receive some benefit from the Nazis. The Reich, for example, undertook to guarantee loans to small enterprises. This measure was, however, deceptive in appearance. The total loan was limited to 150 million reichsmark, while single credits were limited to 2,000 reichsmark. The net effect was simply a partial shift in the composition of this segment of the population, since the credits were used to enable impecunious Nazis to acquire Aryanized enterprises without funds of their own.

On the other hand, the process of centralization in the German economy undoubtedly affected small business. In the Reich as a whole it is estimated that trade, finance, and a miscellaneous category listed as "other industry" lost between thirty and forty percent of their personnel between 1939 and 1944. Much of this undoubtedly came out of smaller business establishments, including those in Austria. For instance, as early as 1941 over twenty-two percent of Austria's retail stores had been closed, and the percentage is undoubtedly much higher now. Probably about 100,000 of these small businessmen are left. A rough estimate of the losses sustained by certain occupational groups, most of whose members would belong to the upper middle class, follows:

Free professions	30,000
Industrialists, capitalists, chief technicians	5,000
Small and medium businessmen	60,000
Miscellaneous and independent	7,000
	102,000

However, these estimates may involve an error of as much as thirty percent in either direction. Some of these persons have become employees of larger concerns; others have gone into the army or become industrial workers.

III. THE LOWER MIDDLE CLASS

This class in Austrian society has been composed of two main elements. The first is a large group of salaried employees -- clerical workers, sales clerks in retail establishments, etc. Engaged in routine tasks and wholly dependent on their salaries they have been without any power or direct control over the daily economic life of other persons such as that possessed by an employer or supervisor. A small number of them, mostly from the lowest income bracket, were organized into Social Democratic trade unions. But on the whole they tended to consider their social, if not always their economic, status to be superior to that of most manual workers because of their closer contacts with managerial personnel. This distinction was jealously maintained in dress, speech, and general manners, in which they attempted to imitate the upper middle class.

The second element of the lower middle class is best described as a pauperized bourgeoisie. It comprises persons whose occupations in business or the professions might qualify them for a position in the upper middle class, but whose income was that of an ordinary manual worker. Many of these are individuals who were forced down from the upper middle class by the contraction of economic opportunities after the first world war. Others are low-paid professionals such as primary school teachers, as well as some lawyers and doctors at the bottom of the overcrowded professional ladder. This stratum had in addition a large quota of economically unproductive individuals -- lower civil servants who lived off their pensions, and so-called Sozialrentner, persons who lived on social security and old age pensions.

A. Statistical Composition

The composition of the lower middle class in 1934 may be estimated as follows:

Table 2. THE AUSTRIAN LOWER MIDDLE-CLASS INCOME AND OCCUPATIONAL GROUPINGS

I.	Income group 1,400-4,800 schillings per annum	
	Pension receivers a/	*23,000
	Salaried employees	188,800
		211,800

a/ These are former salaried employees, receiving pensions from compulsory insurance institutions. A case might be made for placing them in group III, p. 8, which received the same income. However, group III, p.8 is composed chiefly of small businessmen, persons living on incomes from the ownership of apartment houses, and a small number of retired civil servants, all of whom enjoyed a somewhat higher social status than these retired clerical workers. They are automatically excluded from group II, p. 8 because of income consideration.

* Economically unproductive 191,200.

II.	Income group 1,400 schillings and under per annum	
	Independent business and professional	118,100
	Retired civil servants	*50,100
	Pension receivers	*118,100
	Salaried employees	169,000
		455,300
	Total 662,900	

* Economically unproductive 191,200.

B. Changes under the Nazis

The lower middle classes contributed many of Hitler's supporters before the Anschluss, and immediately after it prospered briefly through the creation of a number of jobs in the Nazi administrative apparatus and through the temporary economic boom that followed.

The number of salaried employees as a whole (including all strata of the population but concentrated almost entirely in the lower middle class) increased from 475,400 in 1934 to 584,500 in 1939, or about 23 percent. The comparison between the 1939 and 1934 figures for government personnel is as follows:

	1939 1/	1934
Political administration (federal, state, communities)	100,800	59,500
Economic administration	13,900	6,800
Armed forces	59,700	30,900
Reich Labor Service	4,600	
Churches	28,200	21,200

Since 1939 there has been a severe drop in the number of salaried employees, until at present there are only about 340,000 persons in this category. Many women from this stratum, of course, have been forced to take up factory work and undoubtedly regard the change as temporary, while soldiers of this class probably intend to return to their old status if economic conditions permit. Nevertheless, it may well turn out that the severest impact of the Hitler regime has been upon the stratum which contributed the largest number of its supporters before the Anschluss.

1/ Not adjusted for greater area.

IV. THE WORKING CLASS

Combined income and occupational data indicate that the Austrian working class (including the unemployed) in 1934 was composed of the following elements:

Wage earners earning 4,800-10,200 schillings	5,000
Wage earners earning less than 4,800	1,242,700
Apprentices and domestic workers (income less than 1,400 schillings)	157,600
	1,405,300

The real core of the working class was the group of between 700,000 and 800,000 workers in industry and mining, nearly all of whom were in the lowest income bracket. At the same time there was and probably still is a considerable variation in income levels within the working class. As indicated in the above table, some highly skilled workers, without any supervisory functions, earned more than many members of the middle class.

A. Pre-Anschluss Problems and Politics

The chief economic problem of the working class in the period prior to the Dollfuss--Schuschnigg regime was unemployment. In 1930 there were 341,073 unemployed in Austria, and three years later 478,034, or about a third of the working class. 1/

Austria's chronic unemployment was aggravated by the world depression but not caused by it. In part it was the result of the fact that the fall of the Habsburg monarchy severely reduced the area in which Austrian industry could market its products. The depression aggravated this economic contraction, since Austria had become dependent on other world markets, and particularly on Germany, for the export of industrial products. A sweeping reorganization of Austrian society and economy along the lines of Switzerland or the Scandinavian states might have solved the problem; but this was never attempted, although during the 1920's strenuous efforts were made to adapt the new Republic to the changed political and social conditions of the post-war period.

As a result of these and other factors there was a strong radical tendency among the Austrian urban industrial working class,

1/ These numbers refer only to unemployed registered with the Public Employment Service. In reality the number was much greater. The extent of invisible unemployment may be gathered from comparing the number of registered unemployed around the census date of 403,158 with the number of people declaring themselves unemployed in the census questionaire, which amounted to 593,245.

which led them to question seriously the value and effectiveness of capitalist institutions. To a certain extent, this questioning attitude carried over to democratic and parliamentary institutions, although the Austrian working class had long struggled for the extension of the franchise and for the establishment and maintenance of democratic institutions under the Habsburgs and under the Republic. The workers tended to believe that democratic institutions offered their class its best protection for the social gains it had made, but that a parliamentary democracy was not an aim in itself.

The history of the Republic, especially during the 1930's was characterized by a sharp struggle between armed bands -- the Heimwehr, an antilabor formation, and the Schutzbund, a socialist working-class organization. Both groups argued that they were defending their own interests against the aggressive intentions of the other. The relative merits of these claims have little contemporary significance. They do reveal, however, the lack of basic agreement on common social objectives necessary for the smooth functioning of a democratic state.

While the Austrian Social Democratic Party, the chief representative of the working class, was more radical than its German counterpart, its program was still not one of militant revolution. The technique for achieving a socialist society was to be through mass education and democratic processes. The objective would be reached, so the Social Democratic leaders argued, when their party received 51 percent of the popular vote.

B. Social Organization

To carry out the necessary indoctrination, the Social Democrats built up a series of organizations that reached into nearly every aspect of the workers' life. In 1931 their Free Trade Unions had a membership of 582,687 out of a total industrial labor force of something over 1,000,000. But through a series of auxiliary organizations, Social Democratic influence extended considerably further. An indication of this fact is found in a study of the working class village of Marienthal near Vienna, where the Social Democrats maintained, in addition to the party organization and trade union, a Friends of Childhood Association, a Liberals' Association, The Flame (a burial co-operative), a Bicycle Club, a Workers' Radio Association, an Athletic Club, a Wrestling Club, a Young Workers' Socialist Club, a Workingman's Library, a Rabbit Raisers Association, and an Association of Subsistence Gardeners. Thus, nearly every activity "from the cradle to the grave" was kept under a homogeneous political influence.

This ramification of auxiliary organizations was in part derived from the strongly-delineated class structure of Austrian society. The middle classes and the proletariat developed a whole set of separate clubs and organizations for carrying on their leisure activities, which

were interrelated with their economic and political interests. This social cleavage, which is characteristic of any modern industrial society organized along class lines, was strongly marked in Austria. The Social Democratic organizations, and all other independent expressions of working class political and economic objectives, came to an end with the beginning of the Austro-Fascist dictatorship in 1934.

C. Impact of the Nazis

In the period immediately following the Anschluss the Nazis made a strong effort to win support from the working class, taking over a few of the slogans of the Social Democrats and magnifying their success in aiding the jobless. Unemployment was, indeed, very sharply reduced as a result of the war boom. In March 1939 Reich Commissioner Buerckel stated that work had been provided for 650,000 unemployed Austrians, chiefly in munitions factories and public works.[1] The Nazi task was made somewhat easier by the fact that they installed their system of labor controls after the Austro-Fascist regime of Dollfuss and Schuschnigg had already destroyed the independent economic and political institutions of the working class.

The Nazis introduced into Austria the same concepts and administrative controls in relation to labor that they had already applied in Germany. The basis of this policy was (1) the elimination of all procedures for collective bargaining, leaving to State and Party the determination of wages, labor conditions, and place and type of work; and (2) an effort to indoctrinate the worker with the feeling that, instead of belonging to a specific social class, he was a member of a local social unit, his factory, working for the great German nation.[2]

While these controls may have sat rather lightly during the days of Hitler's victories, they became necessarily much more severe as Germany's military position deteriorated and its manpower reserves declined. As early as 1943 complaints began to appear rather frequently in the Nazi-controlled Austrian press concerning evasion of registration requirements, an unpatriotic attitude on the part of the workers, loafing on the job, and similar misdemeanors.

D. Post-Annexation Changes in Composition

1. Robert d'Harcourt, "L'Autriche sous le regime Hitlerien," Revue des Deux Mondes, LIII (September 1939), p.51; New International Year Book 1940, p.57.
2. The administrative skeleton is described in some detail in the Verordnung über die Arbeitseinsatz- die Reichstreuhander- und die Gewerbeaufsichtsverwaltung in der Ostmark vom 7 Marz 1940, RGBl., I, 552. See also Austrian Trade Unions and the Prospects of their Revival, R&A No. 2885.

The Nazi occupation effected a marked change in the composition of the industrial working class. It is estimated that in June of 1944 the number of industrial workers in Austria was approximately 1,200,000. Of this the number of foreign workers may have been as high as 800,000 or even 850,000.

Somewhat less than half of these foreign workers were probably Russians and Poles. The rest were Italians, French, Croats, and Slovenes, in roughly equal proportions, with a scattering of other nationalities. Kept in separate camps, for the most part according to national origin, they were presumably held apart from the native Austrian and German population. In Nazi theory the wages of foreign workers (excluding those from Poland and Russia -- about half the total) were equal to those of German workers. In most cases, however, deductions for lodgings, social security, and the like reduced their pay considerably. Food is reported to have been adequate.

While it is impossible to predict with accuracy the more lasting effects of this importation of foreign workers on Austrian society, it is probable that it will leave a small residue at the bottom of the future Austrian social hierarchy, if the experience of previous forced migrations is any guide. The vast majority probably will want to return to their homes. But transportation is not likely to be immediately available for all of them in the disintegration following the Nazi collapse. Moreover, some of them may prefer to remain in Austria because of its relatively high standard of living.

Coincident with an influx of foreign workers, there has been an exodus of native Austrian members of the working class. The number of Austrian wage earners decreased between 1934 and 1939 by 27,000,[1] which may be partially explained by an emigration of Austrian unemployed to Germany. Since then, a very large number of Austrian workers, particularly the younger ones, have been taken for army service, while the labor force has been supplemented by women, some of them wives of former workers and some of them temporary déclassées from the middle strata.

E. Political Future

The net effect of the Nazi regime on the working class and of the social changes that accompanied it has been to break up the various groups which formed the centers of its political and economic expression before 1934. But while these changes have affected the machinery of working class pressure tactics, they have not eliminated the economic and social pressures themselves, which may be expected to reappear as soon as Nazi controls disappear. Nor have they entirely eliminated the individuals, many of them older workers, who were brought up in the Social Democratic tradition. With the general disintegration that usually sets in be-

1. See Appendix for analysis of census materials.

tween the collapse of one regime and the setting up of a new one, it may be expected that these pressures will lead to some violence, such as forcible seizure of factories, looting, etc. As order returns, these forces will probably produce a more tightly organized and disciplined, and at the same time more extensive, series of economic and political groupings along trade union and party lines.

V. THE PEASANTRY

In 1936 the land area of Austria was divided among the following uses:[1]

Woods	37.43 percent
Crop land	23.51 percent
Grassland, pasture	26.78 percent
Unproductive	10.67 percent
Gardens	1.16 percent
Vineyards	.45 percent

No substantial change is likely to have occurred in these figures up to the present time, though there may have been some increase in the grain producing area and in pasture land at the expense of forest.

Austria since 1920 has been the classic land of the small peasant proprietor. In 1938 ninety-three percent of the cultivated surface was said to be privately owned and tilled (Eigenbewirtschaftung), while only four and one-half percent was held by tenants (Pachtland). The rest was the property of communities.[2]

A. Distribution of the Land

In 1939 the distribution of land in Austria was as follows:

Table 3. AGRICULTURAL HOLDINGS IN AUSTRIA 1939:[3]

0.3 to 1 hectare[a]		52,777
1	2	72,390
2	5	118,586
5	10	89,585
10	20	81,461
20	50	56,134
50	100	8,377
100	200	3,400
200	500	1,915
500	1000	623
1000	and more	633
	TOTAL	485,881

a A hectare equals 2.471 acres; not adjusted for greater area.

1. Harald Schoehl, Oesterreichische Landurstschaft (Berlin, 1938), p. 53.
2. Berichte Uber Landwirtschaft, Band XXIII, Heft 2 (1938), p. 289.
3. Wirtschaft & Statistik, XX, No. 314, 1940, p. 47.

According to these figures, holdings in the class 0.3 to 20 hectares had increased since the previous census of 1930 by 43,834, or 11.8 percent. The largest increases were in the 0.5 to 2 hectare class, with 28,190 or 29.1 percent, followed by the 5 to 10 hectare class with an increase of 6,000 or 7.2 percent. The only decrease was in the group 20 to 100 hectares which declined 88 holdings, or 0.1 percent. The big estates with 100 hectares had only increased by 369 or 5.9 percent.[1] Thus, while there were slight increases in the very small and in the large holdings, no fundamental change in distribution took place.

It has been asserted that in over seventy percent of the villages the holdings of a single peasant are split up into innumerable tiny plots.[2] To some extent this is caused by the mountainous character of the land. The peasant frequently has one small plot of land for cultivation and another in the mountains for pasturage. A second reason for this splitting of individual holdings is the natural operation of a private property system. A peasant anxious to obtain land can seldom acquire plots adjoining his own territory but must purchase bits and pieces wherever he can find them. While the splitting up of single holdings does not affect the social structure of the peasantry, it obviously tends to diminish agricultural productivity. The peasant must spend extra time walking to a number of scattered plots; moreover, the large number of boundary markings wastes valuable property. Nevertheless, the peasants are strongly attached to their system of private property and are unlikely to abandon it on grounds of efficiency. Long before the first World War, so-called Kommassationsgesetze (land consolidation laws) were enacted to deal with the problem of divided holdings. Little was accomplished under this legislation, however, because the strong individualism of the Austrian peasantry made collective action difficult.

B. Land Use

The peasants of Tirol and Vorarlberg are heavily dependent upon the dairy and lumber industries for livelihood. Milk and milk products in 1934 constituted well over one-fifth of the market value of all agricultural produce for Austria as a whole.[3] Lumber, or rather the possession of forest land, constitutes a form of reserve capital for the Tirolian peasant. When in need of cash for special emergencies the peasant cuts down some of his timber and, in the process, adds to his pasture land. In many cases the peasant does this to obtain an annual revenue, with consequent forest depletion.[4]

1. Ibid., p. 48.
2. Otto Bauer, Protokol des Sozialdemokratischen Parteitags Vienna, 1925) p. 253.
3. Oesterreichs Land and Forstwirtschaft (Vienna, 1934), p. 17.
4. Emil Bedus, "Wald und Weide," Die Landwirtschaft, 1937, pp. 11-12.

Before the Anschluss, private property in forests constituted close to two-thirds of the forested area.[1] However, at least a considerable portion (44.6 percent) of these private properties belonged to institutions. Of the area covered by holdings of 100 hectares and more only a little more than one-half is in private hands, the remainder belonging to states, communities, co-operatives, the Church, and other institutions.[2]

The Marchfield, lowlands, or "grain" peasants depend somewhat more on the urban (Vienna) market than do the Tirolese. While they have retained fewer of the picturesque outward trappings of peasant life than the Tirolese, they are equally devoted Catholics, and perhaps equally if not more conservative on economic questions.[3] In the winegrowing areas of the Burgenland and the Wachau Valley there are many large landholders who are merely rentiers. Most of the tenants on these properties have lived on the same plot for a long period. A number of the plots have been tilled by the same family for generations.[4]

C. Economic Position

The rural population as a whole was losing ground, economically speaking, during the period of the Republic. Tiltman estimates that taking pre-war figures as 100, by 1931 the peasant's index for sales stood at 108, whereas his overhead expenses stood at 163.[5] Another writer estimated that in 1934 agricultural indebtedness ran to about 20 percent of of the capital value of the land. This was not distributed evenly, but fell most heavily on the mountain peasants. The Dollfuss regime, largely dependent on the peasantry for support, took various measures to alleviate its plight; among them, it appropriated 15,000,000 schillings to reduce this debt burden.[6]

D. Independent Farmers

Within the rural population it is possible to distinguish three markedly distinct strata: independent farmers, farm hands (Knechte und Mägde), and agricultural workers proper. Their numbers in 1934 were estimated as follows:

Independent farmers	291,000
Farmhands (Knechte und Mägde)	218,500
Agricultural workers	128,500
Total	638,000

1. Berichte über Landwirtschaft, Band XXII, Heft 2 (1938) p. 292.
2. Schoehl, op.cit. p.28.
3. H. Hessell Tiltman, Peasant Europe (London, 1934,) pp. 37 ff.
4. Otto Bauer, in Protokol des Sozialdemokratischen Parteitags (Vienna 1925), p. 268.
5. Tiltman, op. cit., p. 31.
6. Richard Storck, "Landwirtschaftliches Kreditwesen," Österreichische Landwirtschaft (Vienna 1934), pp. 14-15.

The independent farmer in Austria is usually a small proprietor. The basic social unit in his stratum is the patriarchal family. On the male, as head of the family, falls the responsibility for deciding the various questions of agricultural life -- the time for plowing and harvesting, the kind of crops to be sown, etc. -- wherever these decisions are not already made either by custom or by the Nazi controls. It is customary for property to be made over undivided to the eldest son. When the family head does this while still alive, he may live on the goods and services provided by his heirs apparent; as such he is called Ausgedinger. Such retired patriarchs numbered around 90,000 in 1934.

The wife plays an important role in peasant life, not only taking care of household matters, such as cooking, but also caring for domestic animals when they are not out in pasture. The children too become auxiliary helpers at an early age. About 354,000 people in 1934 gave their occupation as helping on the family farm. Since life on most farms requires long hours of unremitting toil, broken only by Sundays and Catholic holidays, the peasants have attempted to boycott urban efforts to enforce compulsory education, required throughout Austria up to the age of 14.[1]

E. Farm Lands

The Knechte und Mägde live with the peasant proprietors and furnished an auxiliary labor force. They are usually found only on the farms of the more prosperous peasants. Although they live with them under the same roof, they are not considered members of the family unit, ordinarily may not marry, and in some cases at least do not take their meals with the peasant proprietors.[2] Though their objective is probably in most cases to become independent proprietors themselves, their opportunities to do so are practically nonexistent, since nearly all of the land that formerly belonged to the village commune had already become the private possession of the more prosperous peasants by the time the Republic was well established.[3]

After the First World War, the Social Democrats capitalized on the economic distress of the farm hands and succeeded in organizing them into a trade union, forcing a rise in their wage rates and including them under regulations providing for an eight-hour day. In addition, the Knechte und Mägde won the right to vote.

1. Otto Bauer, Der Kampf um Wald und Weide (Vienna 1925), p.205; C.A. Macartney, Social Revolution in Austria, (Cambridge, 1926)
2. Bauer, op. cit., p. 206.
3. Bauer, op. cit., p. 219; Macartney op.cit., pp. 181-182

As a result, the more prosperous peasants joined with some of the urban middle strata in opposition to Socialism.[1]

The farm laborers proper constituted a group of migratory labor that assisted the peasants at harvest time or on other occasions when extra help was needed. Their economic status was extremely low, though few data are available concerning them. To a very marked extent both of these groups, the Knechte und Mägde and the farm laborers proper, have been replaced by foreign labor during the past few years.

F. Peasantry and Church

The Austrian peasantry forms the stronghold of the Catholic Church. Although over ninety percent of the Austrian population is at least nominally Catholic, it is among the peasantry that the Church's influence is most effective. Most of the peasant's rather limited gratifications are associated directly or indirectly with the Catholic Church through its festivals and the weekly day of rest. The Church, moreover, makes its influence felt at the crises of birth, marriage, and death, and is in many cases the recorder of the property relationships that flow from these events.

The village priest is usually the son of a peasant, and his position is one much sought by prosperous peasant families. If he is a strong character, his function extends to that of adviser in times of personal or group crisis, and even if he is not particularly forceful, his status and educational advantages tend to cast him in that role.

The Church has used its influence in great measure to secure the undisturbed enjoyment of its own tangible possessions. It has frequently capitalized on the cultural and economic tensions between the urban and rural populations in order to oppose and head off any movement, such as Socialism, that threatens to diminish its power.

G. Consequences of Nazi Controls.

The Austrian peasants profited by the Nazi system so long as it was successful, and have carried their share of losses as it has collapsed. There is no evidence that the Nazi occupation produced any fundamental alterations in the rural social structure except for the introduction of foreign labor.

Nazi economic controls in the form of the Reich Food Estate (Reichsnährstand) were introduced almost immediately after the Anschluss on 14 May 1938, and were followed by introduction of the system of entailed estates (Erbhoefe).[2]

1. Bauer, op. cit., p.212; Macartney, op.cit., p. 192.
2. Reichsgesetzblatt, I, 523.

On the whole the function of the system of entailed estates was to build up a peasant elite tied to the Nazi Party, and to provide a series of prestige compensations in order to make the Reichsnährstand's controls over production and marketing more palatable.[1] Due to the different inheritance tradition among Austrian peasants the effect of introducing the Erbhoefe was probably rather small. It may even have worsened the plight of the individual Erbhofbauer, since the impossibility of foreclosing Erbhoefe made them very bad risks for agricultural credit.

Government and Party controls over the peasantry were complete. Every step in planting, harvesting, and marketing was subjected to detailed control affecting the life of every individual peasant. The State took an increasing proportion of the produce for military and other uses. Quotas were established for the individual peasant setting the amount he was to surrender at the standard price.

The economic position of the peasantry-- even, perhaps, of its less prosperous elements -- improved markedly in the early days following the Anschluss. New regulations on bankruptcy, introduced on 5 May 1938[2] were in theory at least directed toward easing the indebtedness of the peasantry, which ran to about twenty percent of the capital value of the land. On 11 October 1939[3] the German law of 9 July 1926 for the creation of capital for tenants (landwirtschaftliche Pächter) was applied, with some modifications to suit Austrian law. More important than these measures was the increase in the German market for lumber and dairy products that followed the Anschluss. Both of these products came from the mountain region, inhabited by the poorest section of the Austrian peasantry.

Confirmation of the improved situation of the peasants is found in the 1939 census. There were at that time 379 new farms with over 100 hectares area, and 16,000 new farms in the 2 to 20 hectare bracket, with an increase of 23,600 persons independent and gainfully employed in agriculture.[4]

The increase in the number of persons engaged in agriculture, forestry, and fishing continued during the war, until by June of 1944 there was a net addition of about 12 percent over the 1939 figures. Since that date an estimated 425,000 foreign workers have been added to the agricultural labor force. It may be assumed that they have tended to replace the previous group of agricultural laborers, Knechte und Mägde, and the farm laborers proper. As in the case of the industrial foreign workers, it is probable that after the war some of them will remain. Competition may be expected between them and native Austrians -- either former agricultural laborers returning from the war or displaced

1. Cf. R&A No. 1604, The German Food Estate.
2. RGBl., I, 502.
3. RGBl., I, 2020.
4. Wirtschaft und Statistik, 1940, p.48.

peasants.

The rather scanty intelligence available since 1943 indicates that, as the German military position deteriorated, the Nazis increased their demands on the peasantry for food products and for manpower, while the peasants' difficulties in maintaining production were increased by tool shortages and by the quartering of evacuees in their households. Since the evacuees included a large proportion of North Germans, and being usually from urban areas, were not of much use on the farm, their presence produced considerable tension.

By July of 1943 the Gauleiter of Niederdonau admitted that the Nazi system had offered the peasants more promises than achievements. He stated that the Nazis had so far been able to present the peasants with few material advantages and had been forced to confine themselves to "spiritual propaganda." While the peasant had obtained a right to the land, regulation of the market, and hereditary estates, in practice these measures were "not as effective as they will be after the war," the Gauleiter conceded.[1]

At the same time the controls did offer a certain limited security, as Landesbauernführer Anton Reinthaller pointed out near the end of 1944. The allotting of distinct quotas to producers and consumers and the stamping out of the black market, he claimed, enabled the rural areas to produce enough food for the urban population.[2]

Aside from scattered press reports of punishments, no evidence is available yet to indicate to what extent the peasants tried to evade the Nazi controls and organize an effective black market nor is there any other reliable evidence of serious peasant disaffection with the Nazis. It is probable that the black market will develop and spread as the Nazi controls break up. If a black market system does develop, it is likely to lead to an increase in urban-rural hostility, at least until normal economic exchange between complementary parts of the population can be restored.

1. Neues Wiener Tagblatt, 3 July 1944.
2. Ibid., 1 December 1944.

VI. POLITICAL IMPLICATIONS OF AUSTRIA'S SOCIAL STRUCTURE

Austrian history from the end of the first world war until 1934 was marked by the struggle between the Christian Social and the Social Democratic Parties, a struggle which was in essence a conflict pitting elite and upper middle classes against the working class. In its earlier days the Christian Social Party had been predominantly a lower middle class reform party, acting in opposition to the Austro-Hungarian aristocracy. But after 1919, the elite, particularly the powerful industrial interests, tended more and more to throw its support to the Christian Socials (as well as to the Pan-German parties, especially the Grossdeutsche Volkspartei) as a weapon against the Socialists, with consequent changes in the party's character. The Social Democrats remained largely a working class party, though they managed to extend their influence to a portion of the lower middle class, and for a brief period to the agricultural laborers among the peasantry.

The lower middle class had little to gain from a victory of either side. While its status from a strictly economic point of view approached that of the workers, most of its members were closer in outlook to the upper middle class and generally aspired to share its comparative economic security. With the limited economic opportunities available under the Austrian Republic, these aspirations were doomed to frustration. As a result, this stratum provided many recruits for movements promising a fundamental reorganization of society, such as the native Austro-Fascist movement, and, more particularly, the German-inspired Nazi movement.

Intermeshed with the class struggle on the orthodox Marxian pattern, there was in Austria a rural-urban conflict as well. In this conflict, the city workers tended to get the worst of it; but in economic terms the peasants and the factory workers alike suffered.

The strife between these groups derived as much from a clash between two distinct ways of life as from opposed economic interests. Differences in speech, intensity of religious beliefs, and dress, as well as different concepts of property rights, separated the two contestants.

On the whole, Social Democratic propaganda among the peasantry was unsuccessful, and the threat of Socialism tended to drive the peasants into the Austro-Fascist movement. Otto Bauer, the Social Democratic leader who attempted to bridge the gap, sharply criticized the labor press for concerning itself with agricultural problems at election time only, while treating the peasants the rest of the time with the typical condescension of the city man. He criticized also the use of factory workers for propaganda work in the countryside, where their manner of speech was not understood and their militant approach was frequently offensive. He told his Socialist comrades that religion is a private

matter, and urged them to stress the point that the workers did not aim to remove the peasants from their lands and homes. 1/

The Austrian state was not strong enough to deal with these class and occupational cleavages and was unable to prevent the growth of armed para-military bands claiming to protect the various interest-groups in Austrian society. These cleavages, moreover, provided opportunities for intrigue and intervention in Austrian affairs on the part of foreign interests. It is often asserted that only a profound reorganization of the Austrian economy and of Austrian society can remove these major internal cleavages, assure full employment, and eliminate the influence of "unproductive" elements.

At first glance it might appear that the Hitler occupation had created objective conditions favorable to an internal reorganization. However, there is no evidence to show that any really fundamental changes in Austrian social structure have occurred under the Nazis. With the exception of the industrial unemployed, most of the economically unproductive elements of the population remain. Although the middle classes have lost some of their members they have by no means been wiped out, and the peasant population has been only slightly affected. Old cleavages and political movements, in short, are likely to reappear, in a modified form, when Nazi controls are withdrawn.

It is likely that local left-wing forces will attempt to effect a reorganization of Austrian society as soon as it is feasible for them to operate "above-ground." In order to accomplish this purpose effectively they are likely to seek to carry out a program of nationalizing heavy industry, expropriating the revenues of the rentiers, and similar measures. The fact that most of the elite and a considerable proportion of the middle classes collaborated with the Nazis may result in the initiation of a purge by left-wing forces whose effect would be to further such a reorganization. This reorganization might be accompanied by the establishment of economic ties with the other succession states that may fall within the Soviet political orbit.

Such a program of internal changes, however, would be certain to encounter strong resistance from the strata that would suffer, and perhaps from elements within Allied countries as well. This opposition may be sufficient to prevent the changes from being carried through.

1/ Protokoll des Sozialdemokratischen Parteitags (Vienna, 1925), pp. 271 and passim.

APPENDIX

THE SOCIAL STRUCTURE OF AUSTRIA'S POPULATION

For explanation and notes see section 3, below.

1. In 1934

A)Distribution of total population (statistics refer to individuals.)

Total resident population:	6,760,233
1)of which gainfully active:	3,170,272
2) their dependents:	2,593,991
3) not gainfully active but receiving income :	346,968
4) their dependents:	257,174
5) without occupation:	339,841
6) their dependents:	51,987

B)Distribution of gainfull active

Total gainfully active:	3,170,000
1)of which independent:	649,665
2) farm hands:	218,551
3) wage earners:	1,247,757
4) salaried employees:	455,385
5) apprentices:	62,105
6) family members working in family undertakings:	379,288
7) domestic personnel:	157,561

C)The independent gainfully active

		Helping family members
total independent gainfully active:	649,665	379,288
1)of which in agriculture:	290,727	353,750
2) manufacture, mining, trade, banking:	275,037	17,510
3) professions, entertainment:	27,870	317
4) personal services:	55,126	7,689
5) not specified:	905	22

D) Not gainfully active but declaring source of income

Total	346,968	
1) of which urban landlords, rentiers:	31,500	
2) retired civil servants:	174,329	
3) living on private pensions:	27,898	
4) living on pensions from social insurance institutions:	113,241	

E) Without occupation

Total	339,841	
1) of which "Ausgedinger":	90,016	
2) in care of public welfare:	79,156	
3) beggars:	886	
4) not specified:	85,734	
5) youth not living with family:	79,558	
6) undetermined:	4,491	

F) Income from other sources than employment

1) subject to income tax not withheld were all of C):	649,655	
and D1):	31,500	
2) some salaried employees:	4,000	685,155
3) income tax returns filed in 1935:		475,777
thus earning less than taxable income:		209,378

Distribution by income brackets (in schillings)

	Total	up to 1,400	1,400- 4,800	4,800- 10,200	10,200 and more
4) landlords etc.:	31,500		8,500	14,500	8,500
5) farmers:	291,000	91,500	173,500	25,000	1,000
6) professions:	28,000)				
7) ind. business:	331,000)	118,000	192,500	37,000	11,500
8) exec. employees:	4,000				4,000
9)	685,500	209,500	374,500	76,500	25,000

G) Income from current or former employment

1) subject to withholding tax were all of B) except independent and family members:	2,141,319		
D2, D3, D4:	315,468		
		2,456,787	
2) number of people actually paying withholding tax, about:		900,000	
3) number of people earning less than taxable income:		1,556,800	

Distribution by income brackets
(in thousands)

	total	group I 1,400	II 1,400- 4,800	III 4,800- 10,200	IV 10,200 and more
4) retired civil servants:	174.4	50.1	120.0	4.3	
5) other pension receivers:	141.1	118.1	23.0		
6) farmhands:	218.5	218.5			
7) wage earners:	1,247.7	781.4	461.3	5.0	
8) salaried employees:	455.4	169.0	188.8	88.8	8.8
9) apprentices:	62.1	62.1			
10) domestic personnel:	157.6	157.6			
11) total	2,456.8	1,556.8	793.1	98.1	8.8

H) Income distribution of all income receivers

	total	group I	II	III	IV
independent farmers:	291.0	91.5	173.5	25.0	1.0
independent business & professions:	359.0	118.0	192.5	37.0	11.5
executive employees:					8.8
salaried employees:	455.4	169.0	188.8	88.8	
landlord and rentiers:	31.5		8.5	14.5	8.5
wage earners:	1,247.7	781.4	461.3	5.0	
farmhands:	218.5	218.5			
apprentices:	62.1	62.1			
domestic personnel:	157.6	157.6			
pension receivers:	315.5	168.2	143.0	4.3	
	3,138.3	1,766.3	1,167.6	174.6	29.8

2. In 1939 the German census of population of 17 May provided a limited possibility of analyzing developments since the 1934 census. Comparative tables have been compiled below.

A) Distribution of total population

	1939	1934
1) total resident population:	6,650,300	6,760,233
2) of which gainfully active:	3,580,100	3,389,900
3) their dependents:	2,024,300	2,374,400
4) not gainfully active including dependents:	1,045,900	995,900

B) Distribution of gainfully active

total gainfully active:	3,580,100	3,389,900
1) of which independent:	579,100	649,700
2) farm hands, wage earners, domestic persons:	1,638,900	1,666,200
3) salaried employees:	584,500	475,400
4) family members working in family undertakings:	777,600	598,900

C) The independent gainfully active

total independent gainfully active (B1):	579,100	649,700
1) of which in agriculture:	313,600	290,700
2) manufacture, mining, trade, banking:	239,000	305,200
3) professions, entertainment, public & personal services:	26,500	53,800

Austria and Sudetenland thus appear to be the only parts of Greater Germany showing a decrease in total population. Official German sources explain this by (a) emigration of non-German residents, and (b) migration of labor. 1/ However, the total loss in Austria due to emigration of all kinds was 121,000, 2/ while the decrease of Jewish population is given as 97,000, 3/. The latter figure is derived by comparing Rassejuden (Jews according to race, i.e., number of Jewish grandparents) in 1939 with Glaubensjuden (persons giving Jewish as their religion) in 1934; it is incorrect since, particularly in Austria, there were a substantial number of either nonpractising or baptized Jews. Hence, almost the total loss in population is explained by Jewish emigration. The alleged labor migration to Germany must, therefore, have been offset by an equal immigration of Germans into Austria.

1/ Wirtschaft und Statistik 1940, p. 27.
2/ Ibid., p. 25.
3/ Ibid., p. 84.

The increase in gainfully active is almost entirely due to the rise in family members working in family undertakings. Of these, 717,200 were in agriculture as compared with 573,300 (adjusted, cf.note A 2) in 1934. The remaining 70,000, as compared with 25,000 in 1935, were in industry and trade; possibly the 25,000 figure of 1934 should be adjusted as well, since here, too, wives were counted as housewives in one instance and probably as family helpers in another. The increase in agriculture was caused by a greater demand for manpower, owing to an improving market coincident with a declining supply of migratory workers and increasing flight from land.

At least half of the sharp decrease in the number of dependents is explained by the increase in "helping family members," which proportionally decreases the number of dependents. The absorption of the other 171,300 was most likely due to increasing employment, but some of the 50,000 increase of "not gainfully active" may have been caused by an increase in the number of youth preparing for an occupation outside the home. Such persons would switch from "former dependents" to "not gainfully occupied."

The 70,000 decrease in the number of "independent gainfully active" occurred in manufacture and services, while in agriculture there even was an increase of about 23,600 independent gainfully active. There is no easy explanation for the latter increase. A part may be explained by probable changing census methods and a part by improving economic conditions in agriculture which may have influenced the younger sons of farmers to settle on the land instead of migrating into town. This explanation tends to be confirmed by the increase in the number of farms in Austria; in 1939 about 44,000 more farms (.5 to 20 hectares) were counted than in 1930, and some 370 farms with more than 100 hectares, while the number of 20 to 100 hectare farms decreased insignificantly. Out of the 44,000 some 28,000 were midget holdings below two hectares, usually not cultivated as the main occupation of the owner. That left about 16,000 new farms in the 2 to 20 hectares[1] bracket as a partial explanation of the increasing independent farm population. The 93,500 decrease of independent gainfully active in manufacture, trade, banking, professions, and services should have been due mostly to "Aryanization." Quite a few of the 97,000 emigrated Jews probably came from this group in which Jews always played a relatively important role in Austria. They were not in all cases replaced by others, particularly not in the professions. However, the German census finds the decrease in the number of independent businesses (which is much more marked in the whole population of Greater Germany) only a continuation of a long-term trend accentuated by a switch from unprofitable independent business created during the depression to decent wage earning positions.

1. All figures from Wirtschaft und Statistik, 1940, p.48 (Dieland-und forstwirtschaftlichen Betriebe im Deutschen Reich; Vorlaeufiges Ergebnis der landwirtschaftlichen Betriebszachlung vom 17. Mai 1939).

The decrease in the number of wage earners by 27,000 contrasts conspicuously with the tremendous increase of this group in the total population of Greater Germany. However, while the German census of 1933 did not count the unemployed with gainfully active, the Austrian census of 1934 did. The trend seems to have been reversed in Austria. This is to be explained by the fact that in the first period after the annexation of Austria, while her economy could only slowly be included in the German rearmament boom, many unemployed Austrian workers migrated to Germany, where there was already a marked shortage, particularly of skilled labor. The biggest increase is shown with 109,000 or about 23 percent, in the salaried employees group. As in all of Greater Germany, this is due to the inflated Nazi apparatus for political and economic administration as well as the increase of the armed forces. For the total gainfully active population in those branches comparative figures for 1939 and 1934 (not adjusted for annexed Sudetenland) run as follows:

	1939	1934
Political administration(federal, state, communities)	100,800	59,500
Economic administration	13,900	6,800
Armed forces	59,700	30,900
Reich Labor Service	4,600	
Churches	28,200	21,200

Since salaried employees (Beamte Und Angestellte) have a substantial share, especially in these branches, the increased number is at least partly explained by the higher total. However, in the private economy also, an increase of salaried employees was caused by the general economic upswing. The increase of family members in family undertakings has already been analyzed (cf.p.6).

No comparative tables similar to those presented under D), E), F), and G) for 1934 could be prepared for 1939. The German census of 1939, so far as available, does not give a detailed break-down by regions for income earners not gainfully active nor for people without occupation. No tax return statistics later than 1935 have been published in Austria nor are such statistics available for Germany after 1938.

3. Sources and Notes

A. For Section I (1934)

Table A) Source: Statistik des Bundesstaates Oesterreich, Heft 2: Die Ergebnisse der oesterreichischen Volkszaehlung vom 22.Maerz 1934 pp.66-78

3) Urban landlords, rentiers, retired civil servants, pension receivers (cf. Table D).

5) Those in care of public welfare, beggars, unspecified, inmates of institutions, students not living with family (cf. Table E).

Table B) Source: ibid pp.66-78 and p.29.

2) In German, ("Knechte und Maegde.") though wage earners, they live with the employers family and usually are more tied to the job than wage earners in general.

Table C) Source: ibid, pp.67-78.

Table D) Source: ibid, pp.67-78.

1) Urban landlords are proprietors of apartment houses and live on income from rent; rentiers have investments yielding interest or are holders of annuities.

2) Includes all people living on pensions from former public service.

4) In German, 'Sozialrentner' -i.e., having an income from social insurance institutions such as an old age insurance, workmens' compensation, etc.

Table E) Source: ibid. pp.67-78.

1) 'Ausgedinger' are farmers who have turned over their property to their heirs, in return for lodging, food, and clothing for their lifetimes.

4) Includes all those who have indicated being without occupation, but who have not stated their means of livelihood.

5) Such as students, whether in institutions or not, foster children, etc.

Table F) 1) All residents having an income from independent occupations.

2) According to a special study of income tax returns in 1933 (Statistische Nachrichten, XIV, no.

11, Nov. 27, 1936, pp.217-18), about 10,000 employees earned a salary of more than 10,200 schillings of which 4,000 are assumed to have earned more than 14,400 schillings. This would make them liable to file individual income tax returns; an unchanged number of such persons has been assumed for 1934.

3) Source: Statistisches Jahrbuch fuer Oesterreich, 1938, p.274. Only those with an income of at least 1,400 schillings (S) a year have filed income tax returns.

Table F) 4) Estimate of income distribution on basis of statistics on capital tax (Vermoegenssteuer). In 1935 capital tax was paid as follows (Statistische Nachrichten, XVI, no.8-9, 29 Oct. 1938, pp.154-5):

Value of capital (Schillings)	Number of taxpayers deriving income from:			
	landed property	corporations	money capital	other capital sources
	(1)	(2)	(3)	(4)
36,000- 52,000	15,908	1,519	3,428	6,186
52,000-100,000	8,876	4,411	3,145	5,770
100,000-300,000	1,095	7,373	2,158	4,640
300,000-600,000	36	880	337	718
600,000-1 mil.	10	174	135	165
one million and over	3	99	96	64

The value of capital is assessed at (a) in the case of agricultural property (column 1), ten times the amount of current income, and (b) in the case of other property (column 2,3,4) twenty times the amount of current income. Arnd Jessen, Die Oesterreichische Finanzwirtschaft, Berlin, 1929, p.107. Column 3 and 4 have been assumed to represent, by and large, landlords and rentiers, and the yearly income is estimated at approximately one-twentieth of the assessed value, with the qualification that the value above is net value -- i.e., capital debts deducted. In adjusting, the other figures in the income brakets as well as the given total were used.

Table F) 5) The total number of "independent gainfully active", according to the population census, was

289,140	farmers, gardeners, winegrowers
1,587	others (engineers, professionals, etc.)
290,727	

The 1930 census of enterprises, however, gives the following distribution of property by size of cultivated area (Harald Schoehl, Oesterreichs Landwirtschaft, Berlin, 1938, p.15)

0-1 ha.	75,659
1-2	61,959
2-5	110,263
5-10	78,146
10-20	71,145
20-50	29,329
50-100	3,890
100-more	2,969
	433,360

If the time lag is disregarded, there is still a difference of some 144,000 to be accounted for. According to investigations in Germany, one can legitimately assume that almost all owners of midget holdings below two hectares do not cultivate the land as their main occupation. Eliminating the 137,000 midget holdings reduces the difference to about 7,000, which is easily explained by the fact that the census of enterprises counts also property of communities or institutions.

Of the 291,000 farmers, 91,500 have been assumed to earn an income below the taxable level. Since a corresponding figure for independent business people can be derived (cf. note to F7), and since it is assumed that nobody in the other group earned such a small income, the number of farmers in the tax-exempted bracket can be deducted. An independent check was attempted by using figures on family income for 1928-30 as given by Schoehl (op.cit.p.45 and 51). A weighted average income for farm families for this period (income given, weight percentage distribution of cultivated area by regions of cultivation) amounts to 147.7 schillings per hectare of

Table F) 5) cultivated land. In other words, all farms with less than ten hectares would yield a non-taxable income. The figure of 188,000 tax-exempted incomes derived in this way is certainly too high, since smaller farms are predominant in regions with high returns, and the average is misleading. The figure of 91,500 as used is, however, certainly not too high. The number in the two higher income brackets was also derived with the help of the capital tax figures (cf. note F4).

F 6) F7) Independent estimates of income distribution among professional workers and independent business people are, for lack of data, impossible. For the combined group, however, some guidance is given in figures on business tax (Erwerbssteuer). which everybody engaged in profit-making activities had to pay. Although the tax refers also to corporations, this source of error has been neglected, since the number of corporations was very small. The statistics for 1935 (Stat. Jahrbuch, loc. cit. p. 275) give a total 389,000 business-tax payers as against 359,000 engaged in professions and non-agricultural business, according to the population census. The 30,000 difference may be explained by the fact that inactive business had to pay a minimum tax in order to remain in the register and the handicraft roll respectively. In view of the small amount -- five schillings -- involved, it can be assumed that 30,000 who had temporarly abandoned independent business continued to pay the minimum tax. Out of the 389,000 who reported:

148,000 had an income up to 1,400 schillings
192,500 " " " of 1,400 to 4,800
37,000 " " " of 4,800 to 10,200
11,500 " " " of 10,200 and more

and this distribution was adopted for these two groups.

F8) cf. note to F2. By definition those 4,000 belong

in the uppermost income bracket.

F9) The totals in the three brackets of taxable incomes are given in the income tax statistics of 1935 (Stat. Jahrbuch, loc. cit. p. 274). 1935 statistics were taken since they refer to incomes earned in 1934.

G1) According to the Austrian Personal Tax Law (Gottlieb-Billroth-Egger; Personalsteuergesetz Wien 1934; par. 167/168) all persons earning wages or salaries, or deriving pensions from a previous employment or from an institution to which the employer has to make contributions, are subject to withholding tax. Hence, in addition to wage and salary earners proper, pension receivers are covered by withholding tax statistics.

G2) The number of accounts, as given in current statistics, amounted to 1,171,600 (Stat. Jahrbuch, loc. cit. p. 272) in 1934. However, the number of accounts does not coincide with the number of individuals paying a tax, since for each employment a new account is opened. An adjustment of the current figure to the number of actual taxpayers, was made in the special study referred to in note F2), giving the adjusted figure as about 75 percent of that which appeared in current statistics. A slight change in the turnover rate, assuming the number of accounts given above, brought an estimate of 900,000.

G3) For breakdown, see group I in following table.

G4) No statistics on income brackets of retired civil servants are available. However, Wirtschaftsstatistisches Jahrbuch, 1932/33, published by the Chamber of Labor in Vienna (pp.370-1), reports the following for 1934:

Branch of public service	No. of retired employees	Total amount of pensions paid
Federal administration	51,400	155.6 mil.S
Federal monopolies	10,500	16.1
Federal enterprises	24,500	58.7
Federal railroads	78,500	183.8
	164,900	414.2

The difference in the total number is at least partially explained by the fact that those receiving pensions from employment in federal states or in cities are not included.
The average pension of the above groups would amount
to 3,027 schillings
1,533
2,395
2,342
This would make all of them subject to a withholding tax, with the exception of the second group (dependency allowance added). However, those averages include also a marginal group below the 1,400-schilling level. In the light of subsequent figures independently arrived at, and the given percentage distribution of all taxpayers, the averages were only considered as indicative to get the estimated distribution in the table.

G5) Including Sozialrentner (cf.D4) 113,000
private pension receivers 28,000
Of the 113,000 social rentiers, some 90,000 were unemployables separated from the normal unemployment relief with an "old-age relief" (Altersfuersorgerente) of 600 schillings a year. 23,000 old-age and disability cases are reported by the compulsory insurance institutions for salaried employees, with an average yearly pension of about 2,000 schillings. Workmen's compensation was paid to about 22,000 at a yearly average of 471 schillings. The difference in the total as against the census figure, is probably due to the fact that some of the unemployables are counted under E4.) A figure equivalent to the 23,000 mentioned above was estimated as covering those above the tax exempted level in both groups of pension receivers.

G6) Although payment in kind was theoretically part of the taxable income, farmhands were one of the lowest paid labor groups and certainly not even near the taxable limit.

G7) The estimate was arrived at in the following way. The compulsory sickness insurance institution for wage earners, which covers all wage earners in private employment except agriculture (thus all wage earners excluding agriculture and public service), reports a

G7) yearly average number of people insured in 1934 at 663,400, in other words the average number of those holding a job. According to official statistics of this insurance institution (Amtliche Nachrichten fuer Soziale Verwaltung, 1936, p.366), 43.5 percent of all people insured earned less than the taxable income. Another source (Hans Bayer, Die Loenne der Wiener Arbeiterschaft, quoted in Statistische Nachrichten, 27 Nov. 1936, pp.211-13) gives the income distribution of a fairly large sample of Viennese industrial workers in May 1935; 8 percent of the sample earned an income which would bring the receiver in group III. The assumption that one percent of all industrial workers employed earned a yearly income above 4,800 schillings gives us a total of 4,000, since according to the census, about 400,000 held jobs as wage earners in mining and industry at the census date. Of the 101,700 insured with the public servant insurance institutions, only 10 percent have been assumed to earn less than taxable income since this group does not contain such low paid workers as domestic or agricultural personnel bracket, and apprentices. Again, one percent was assumed for the higher income. Of the 257,500 covered by agricultural employees insurance, 218,500 are covered under G6), leaving 39,000. All of them are assumed to be in the lowest bracket. For the total group, income distribution would then look like the following;

	group I	group II	group III	total
Private wage earners	288,600	370,800	4,000	663,400
Public wage earners	10,200	90,500	1,000	101,700
Agricultural "	39,000			39,000
	337,800	461,300	5,000	804,100

Since, however, the total number of wage earners was 1,247,700
There were in addition: 443,600
with incomes less than 1,400 schillings. This group comprised the unemployed and those not subject to insurance, such as soldiers, some home workers, and the like. The total distribution is thus:

group I		337,800	
	plus	443,600	781,400
II			461,300
III			5,000

G8) Of the 455,400 salaried employees there were employed

in mining and industry	81,300	
banking and insurance	24,700	
trade and services	102,000	
private employment		208,000
public employment		164,000
unemployed		83,000
		455,000

Wirtschaftsstatistisches Jahrbuch gives a salary distribution by classes for a fairly large sample of private employees in the various categories. Applying the percentage distribution derived from these data one can compute the following table:

	Total	(per month) up to 200	200-400S	400-more
Mining and industry	81,300	14,000	36,000	31,300
Banking and insurance	24,700	3,300	7,900	13,500
Trade and services	102,000	36,100	43,700	22,200
	208,000	53,400	87,600	67,000

Since the sample was taken mostly from Vienna, where the salary level is much higher than the average in Austria, it was assumed that the first salary bracket (although amounting to 2,400 schillings yearly salary) as identical with income tax group I; the error involved should not be intolerable. Both the other brackets coincide with tax income group II and III/IV respectively. For determining the number in group IV, cf. note to F2). On the income distribution of public employees, some indication is found in Arnd Jenssen: Die Oesterreichische Finanzwirtschaft, Berlin, 1929 pp. 70 ff. According to these data, none of the 72,300 federal employees earned less than taxable income and some 10,500 earned more than 4,800 schillings per year. Hence the distribution would be as follows

	200-400 schillings per month	400 schillings and more per month
Total 72,300	61,800	10,500

For the remaining public employees, a class which covers among others very low-paid groups such as rural teachers, the distribution pattern of private employees in trade and services was applied, yielding

the following distribution:

group I	32,600
II	39,400
III	20,100

If the different categories of salaried employees were combined, the salary distribution would be as follows:

	total	group I	group II	group III/IV
Private employees	208,000	53,400	87,600	67,000
Federal "	72,300		61,800	10,500
Public "	92,100	32,600	39,400	20,100
Unemployed "	82,600	82,600		
	455,000	188,600	188,800	97,600

G9,10) Apprentices and domestic workers are assumed to have earned less than taxable income.

G11) The total can be checked with the distribution of income among actual withholding tax payers, according to the 1933 pattern (cf.note F2). In 1933 withholding tax payers earned:

below 4,800 S 91 percent
4,800-10,200 8 percent
10,200 and more 1 percent

Thus, the 1934 estimates show a slight improvement which follows the trend from 1933 to 1934.

Table H) The number of people which earned less than the relatively low tax-exempted income seems to be surprisingly high. However, the fact that more than 56 percent of the income earning population belonged to the lowest bracket is corroborated in a study of Austrian national income in Der Oesterreichische Volkswirt, 12 March 1938. The author arrives at a figure of 1,843,500, even higher than our own estimate.

B. For Section 2 (1939)

Table A) Source: Sonderbeilage to Wirtschaft und Statistik. 1941, no. 19. The German census of 1939 covers the former Austrian territory under the heading of 'Reichsgau Wien' and 'Ostmaerkische Reichsgaue ohne Wien.' However, the latter area includes parts annexed to it from the former Sudetenland, and in order to make the 1939 figures comparable to the 1934 Austrian census the population of those annexed parts has to be determined and subtracted from the 1939 figures. The total population in the Austrian-annexed Sudeten territories at the census date was 321,963 (Wirtschaft und Statistik, 1940, p. 383). A percentage distribution by occupations of the annexed population is given in Monatsberichte des Wiener Instituts fuer Wirtschaft-und Konjunkturforschung, 1938, p. 226, and the distribution by social status in the Czechoslovak census of population of December 1930. Both percentage distributions have been applied to the 1939 figures after adjustment for a small decrease in the proportion of the agricultural population (cf. R & A no. 1892,10 for the derivation of the adjustment).

2) 3) Since the German census includes all wives of farmers under "helping family members" and thus under "gainfully active," while the 1934 Austrian census included only those giving their occupation as helping with the farm, the figures used in table A) of section 1 had to be adjusted by adding 219,600 (Ergebnisse der Oesterreichischen Volkszaenlung, I, 232) to gainfully active, and subtracting the same figure from dependents.

4) Lack of 1939 data prevents a presentation of the number of not gainfully active as detailed in the previous tables.

Table B 2) 3) Lack of 1939 data makes a further breakdown impossible. Since German census does not show apprentices separately, their number in the 1934 census has been divided between wage earners and salaried employees by assuming that in the latter category only apprentices in trade and services are to be counted. In the Austrian 1934 census, members of the Austrian Wehrmacht were included

under salaried employees if they were officers, and under wage-earners if they were soldiers. Since the German 1939 census omits soldiers, their number had to be estimated by the difference between ('Staende') and ('Wohnbevoelkerung') while their dependents were estimated as being about 45 percent as numerous (cf. R & A no. 2541).

4) Cf. note to A 2)

C)

2,3) The German census counts catering establishments with trade rather than with services. Hence, the 1934 figures had to be adjusted accordingly.